



U.S. Department of Justice

*United States Attorney
Eastern District of Wisconsin*

517 East Wisconsin Avenue

414 / 297-1700

Milwaukee, WI 53202

TTY 414 / 297-1088

November 10, 2009

NEWS SUMMARY

Former Menomonee Falls Residents Charged In Connection With Alleged Investment Fraud and Mortgage Loan Fraud Schemes

United States Attorney Michelle L. Jacobs announced that, today, the grand jury returned an indictment charging Jeffrey D. Stadelmann (age: 47), formerly of Menomonee Falls, Wisconsin, with wire fraud in connection with an investment fraud scheme he is alleged to have conducted between March 2002 and March 2008. If convicted of this charge, Stadelmann would face a maximum term of imprisonment of 20 years and a fine not to exceed \$250,000.

The indictment alleges that Stadelmann fraudulently obtained over \$2.4 million from over 50 investors and private-party lenders based on false pretenses. The indictment alleges that Stadelmann, among other things, obtained money from investors on the false pretense that he would invest their money but that he instead converted their money to his own use and used some of the money to pay other investors.

The indictment also charges Stadelmann and his associate Donna Lonzo (age: 44), also formerly of Menomonee Falls, Wisconsin, with conspiracy to commit wire fraud. If convicted of this charge, Stadelmann and Lonzo would each face a maximum term of imprisonment of 5 years and a fine not to exceed \$250,000.

The indictment alleges that Stadelmann and Lonzo conspired to defraud Countrywide Home Loans in connection with mortgage loans that they allegedly used to buy a \$2 million vacation home in Boulder Junction, Wisconsin. According to the indictment, between November 2005 and January 2006, Stadelmann and Lonzo conspired with another individual having the initials "W.B." to have W.B. apply for and obtain, in W.B.'s name, the \$1.8 million in mortgage loans used to purchase the vacation home. The indictment alleges that the three conspired to have W.B. falsely state that he was the borrower and to falsely overstate W.B.'s assets in the loan applications so that W.B. could obtain the mortgage loans, for which otherwise would not have qualified, for Stadelmann's and Lonzo's benefit.

The indictment further charges Stadelmann with one count of money laundering. According to the indictment, in October 2006, W.B. obtained over \$258,000 in funds from Countrywide through a fraudulent application for a second mortgage on the Boulder Junction property. Stadelmann allegedly then caused W.B. to wire \$200,000 of those funds from W.B.'s bank account to Stadelmann's bank account. If convicted of this charge, Stadelmann would face a maximum term of imprisonment of 10 years and a fine not to exceed \$400,000.

The Criminal Investigations Division of the Internal Revenue Service continues to investigate the alleged fraud schemes. Anyone wishing to provide information concerning this ongoing investigation should contact the United States Attorney's Office at (414) 297-1700. This case has been assigned to Assistant United States Attorney Scott Campbell for prosecution.

The public is cautioned that an indictment is merely the formal method of returning charges against an individual and does not constitute evidence of his guilt. An individual is presumed innocent until such time, if ever, that the government establishes his or her guilt beyond a reasonable doubt.

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For Additional information contact:
Assistant United States Attorney Scott J. Campbell
414-297-1700